



POSEIDON PRINCIPLES

FOR MARINE INSURANCE

A global framework for
responsible marine insurance

Welcome & Introduction

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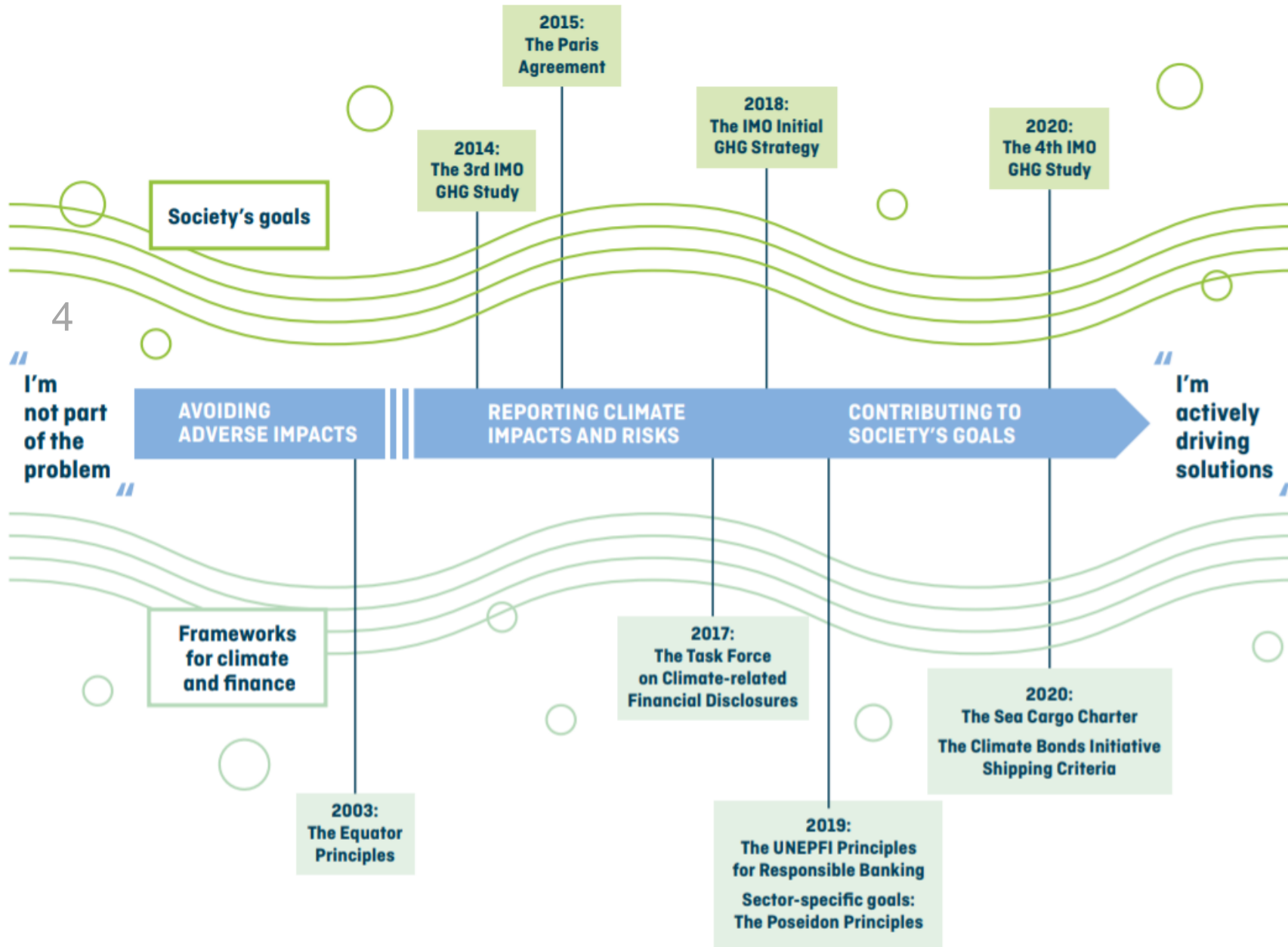
Secretariat for the Poseidon Principles
for Marine Insurance



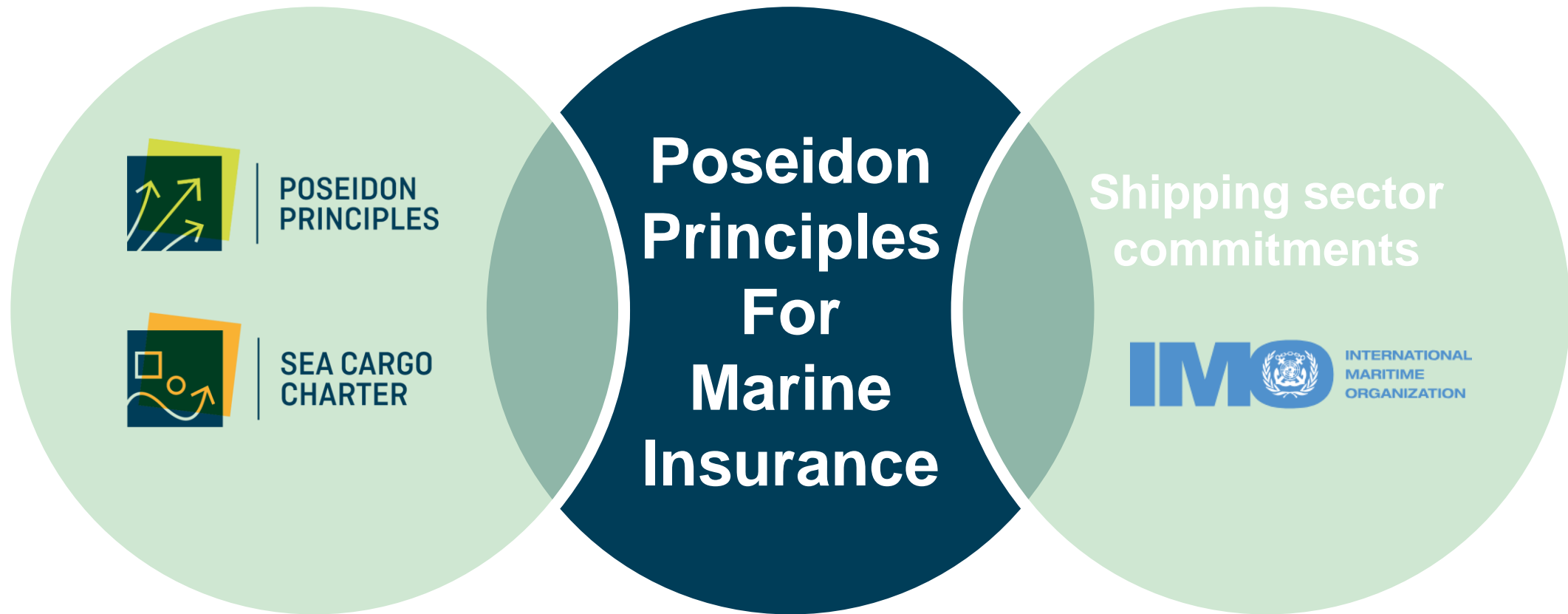


Here's how a group of
insurers is leading maritime
shipping's green transition





How did the Poseidon Principles for Marine Insurance come to be?



Drafting group to tangible action



“

The Poseidon Principles
are
a framework for assessing
and disclosing the
climate alignment
of hull & machinery
insurance portfolios.



| Objectives & Scope

What is their objective?



To create common, global baselines that are consistent with and supportive of society's goals to better enable insurers to align their portfolios with responsible environmental impacts.



Which environmental factors?

Climate alignment is the only environmental factor that is considered by the Poseidon Principles for Marine Insurance. Signatories and Affiliate members may expand that scope in future if they choose.



Who are the Principles for?

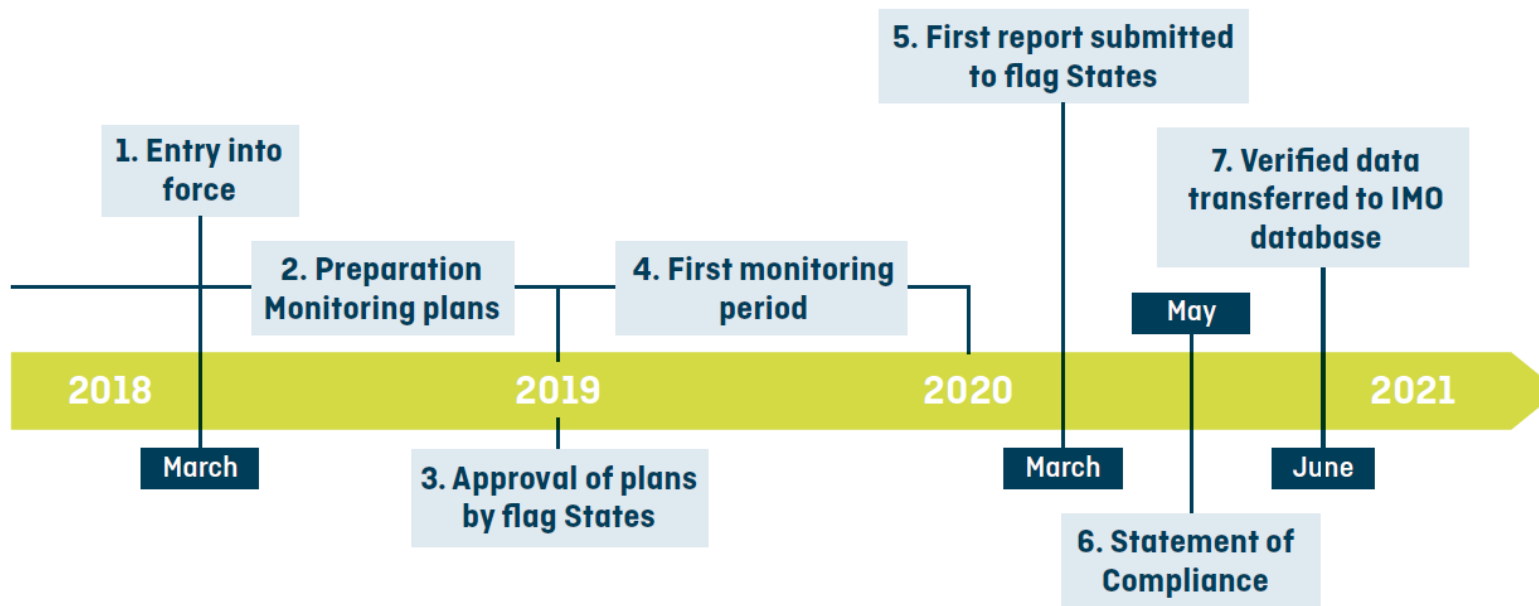
The Poseidon Principles for Marine are applicable to insurers with hull & machinery portfolios. Affiliate members support the implementation and ambition of the Principles.

Using real emissions data for change

- The Poseidon Principles for Marine Insurance start and end with access to reliable emissions data to benchmark progress over time
- Inform decision-making at a high level to support clients along the decarbonization journey



Background IMO DCS



- Data collected includes fuel consumption and type, deadweight at summer draught and total distance travelled.
- Applies to vessels 5000 GT and above trading on international voyages.

Annual Efficiency Ratio

Data collected under IMO DCS includes:

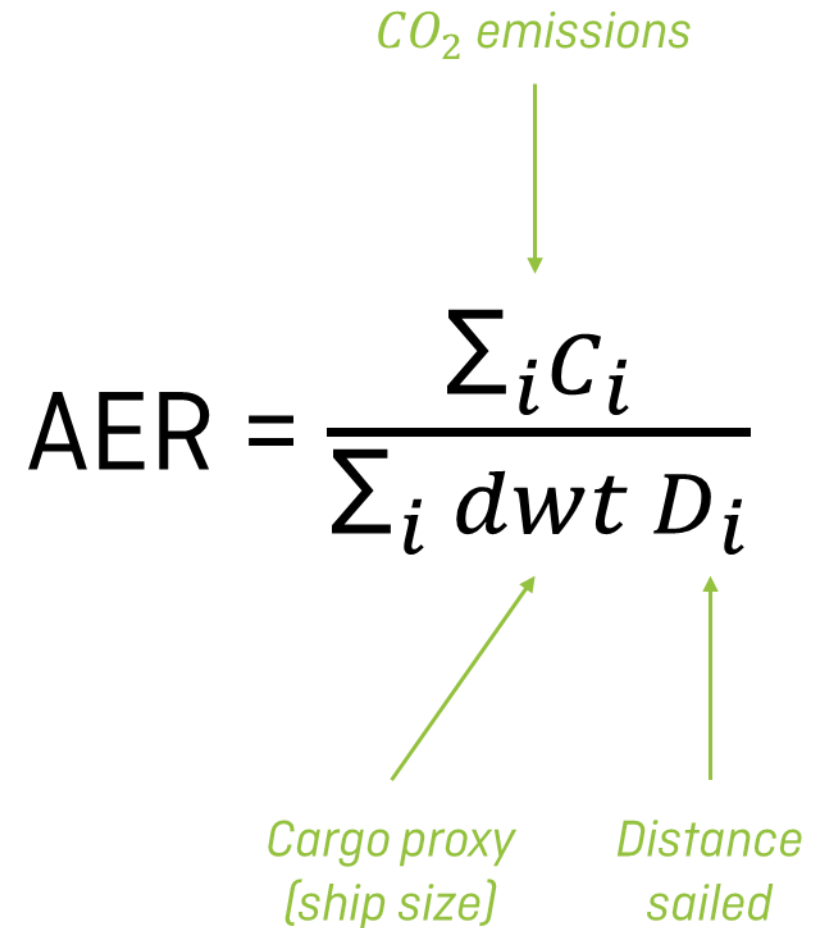
- **Fuel consumption & fuel type**
- **DWT at summer draught**
- **Total distance travelled**

$$\text{AER} = \frac{\sum_i C_i}{\sum_i dwt D_i}$$

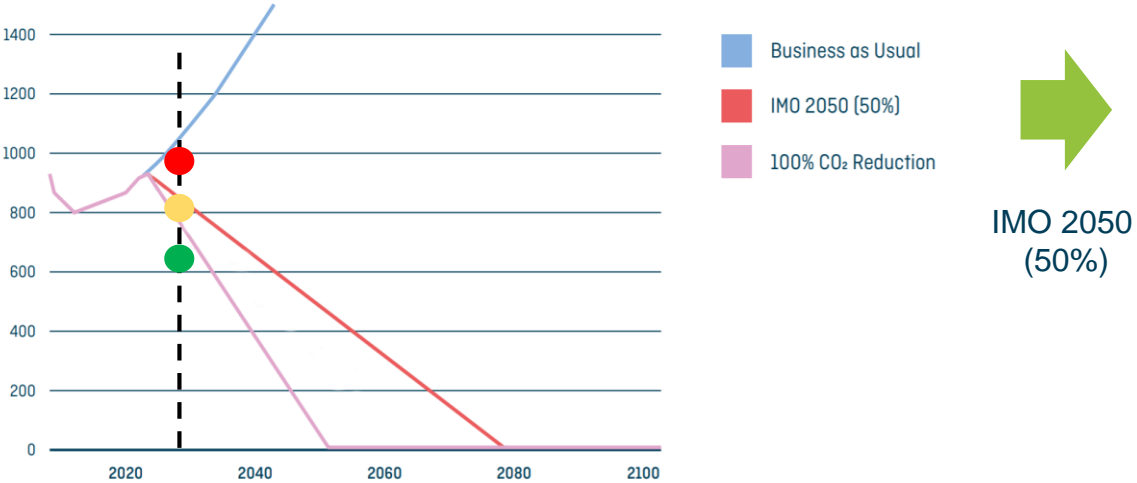
CO₂ emissions

*Cargo proxy
(ship size)*

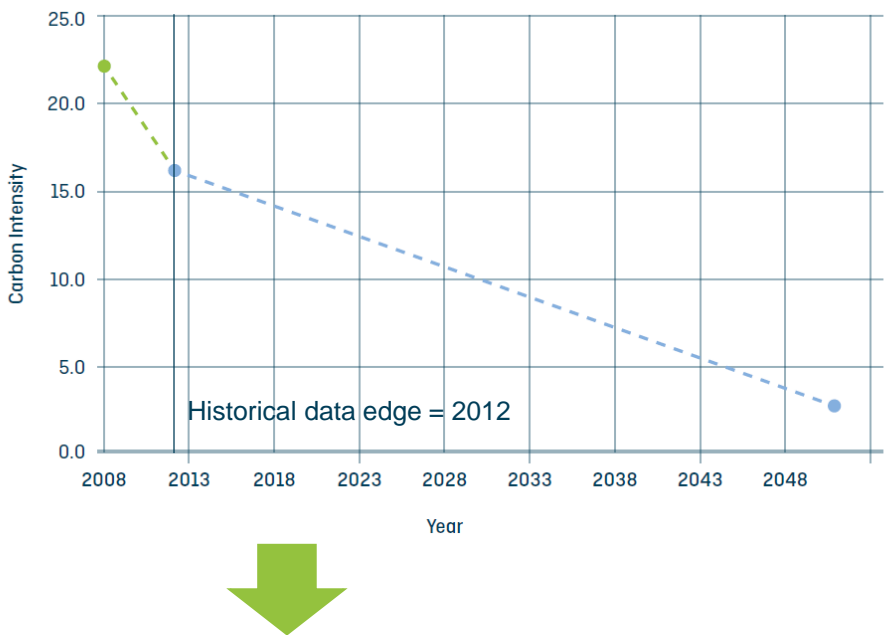
Distance sailed



1. IMO Initial Strategy's Absolute Reduction Target

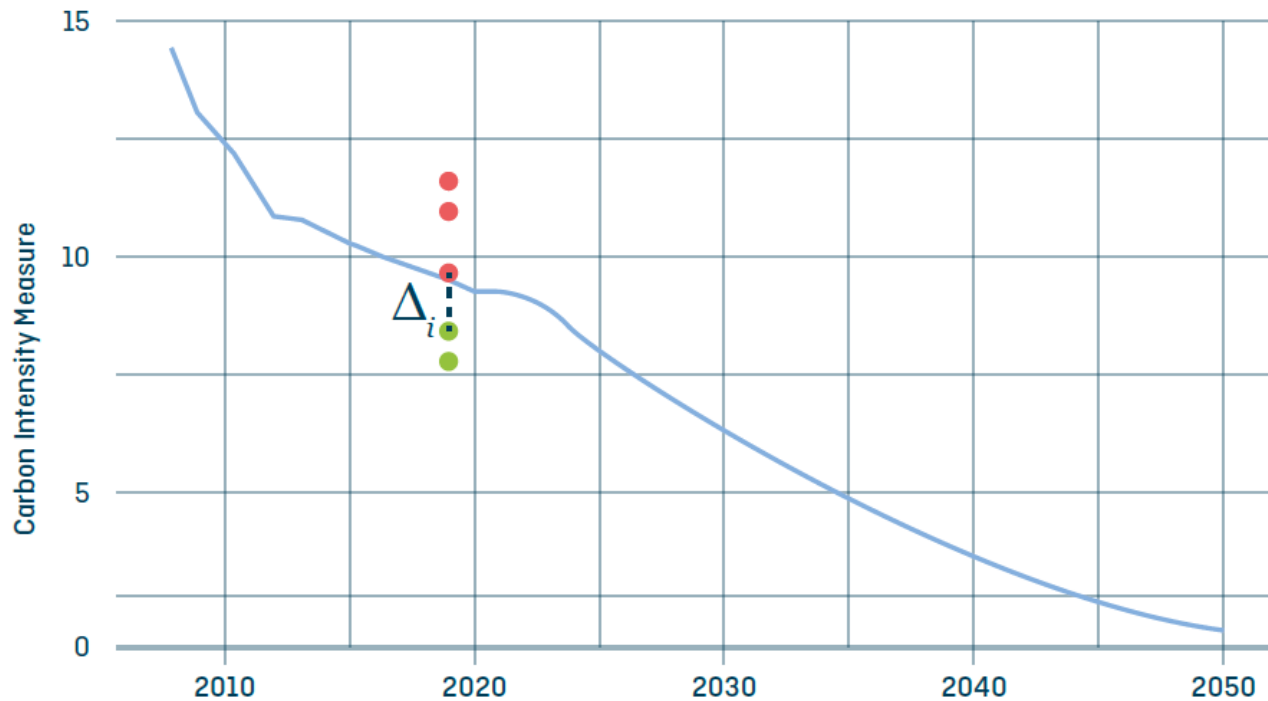


2. Global Carbon Intensity Trajectory



3. Transform into AER-equivalent trajectory by ship type & size (using 50% reduction target and 100 % reduction target)

Background: Calculating the Climate Alignment of Vessels



Alignment requires:

- **Individual vessel's annual carbon intensity (gCO2/tnm)**
calculated from IMO DCS data
- **Decarbonization Trajectory**
provided by secretariat

Key:

- **Alignment delta (Δ_i)**
The % difference between a vessel's carbon intensity and the decarbonization trajectory at the same point in time: expressed as a (+/-) %.

Background: Calculating the Climate Alignment of Vessels

Structure

Principle 1

Assessment

measure the carbon intensity and assess climate alignment of their hull and machinery portfolio.

Principle 2

Accountability

recognize the important role that unbiased information plays in data collection and in reporting fuel consumption from ships to meet the decarbonization goals of the sector.

Principle 3

Enforcement

require that ongoing compliance with the Poseidon Principles for Marine Insurance is made contractual in all Business Activities using standardized covenant clauses.

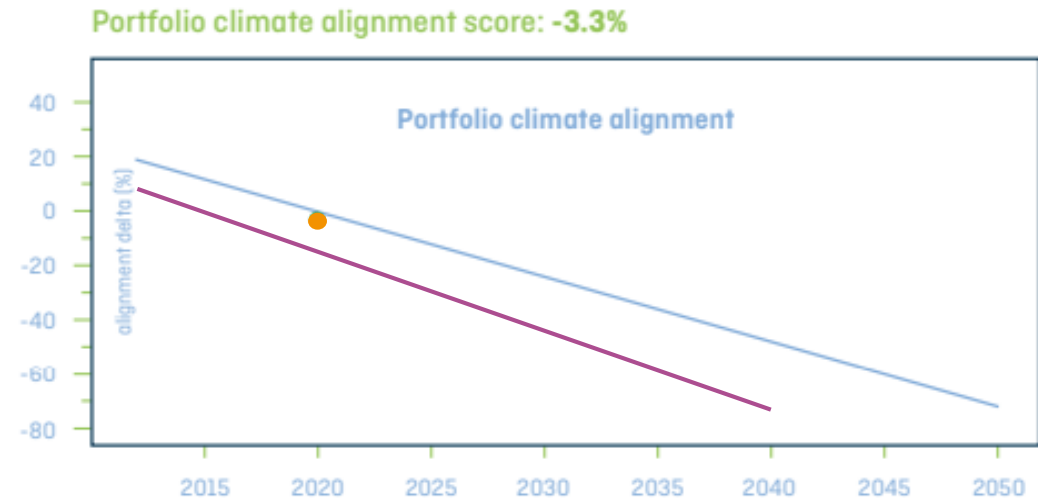
Principle 4

Transparency

acknowledge that they are members of the Poseidon Principles for Marine Insurance and publish the results of annual assessments.

Annual Disclosure Report

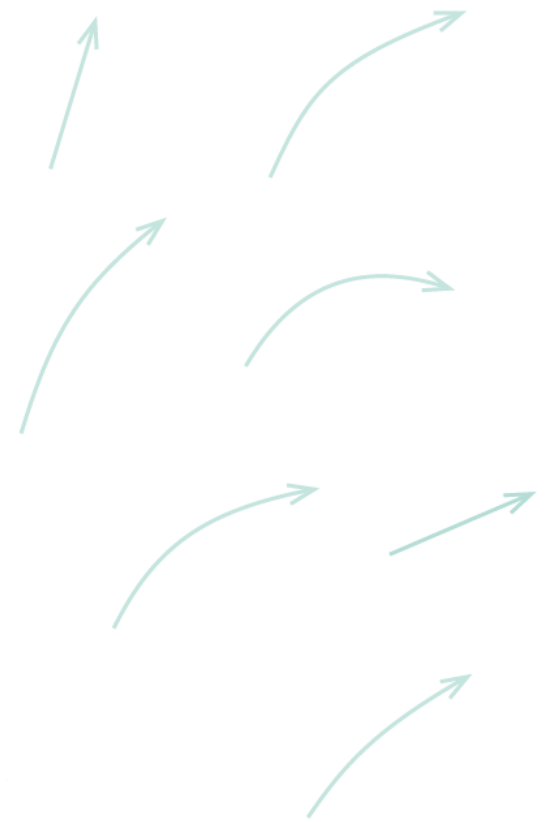
- Transparency is the key to both the implementation and outcomes of the Principles:
 - Each year, Signatories will report their alignment score at a portfolio level.
 - From here, Signatories can use this information to discuss and support clients' decarbonization journeys



| Signatories & Affiliate Members

Signatories are insurers with insurance products covering hull and machinery (H&M). Signatories will report in cases they are the leading insurer, as well as in cases where the Signatory is a follower, but the lead is also a fellow Signatory.

Affiliate members are stakeholders which support and contribute to the insurance ecosystem, but whose current business activities fall out of the reporting scope. Affiliate membership is open to organizations including insurance brokers and collective groups (such as insurance associations, unions, and P&I Clubs).



Governance

- Poseidon Principles are governed by a separate legal entity, the **Poseidon Principles Association for Marine Insurance**, whose object is the management, administration, and development of the Principles.
- Owned and led by a **Steering Committee** made up of Signatories, and co-led by an Affiliate members Committee made up of Affiliate members.
- Global Maritime Forum acts as the **Secretariat** with UMAS and Swiss Re Institute as **advisors**. IUMI is the Supporting Partner.
- Self-funded by Signatories and Affiliate members.



Members

Signatories



Advisory



Affiliate members



Supporting partner



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THANK YOU

For questions or to begin onboarding,
please contact:

Global Maritime Forum

Secretariat

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